GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3233
ANSWERED ON:12.12.2014
FISCAL DEFICIT
Singh Shri Sunil Kumar

Will the Minister of FINANCE be pleased to state:

(a) the fiscal deficit during each of the last three years and the current year;

(b) the steps taken/being taken by the Government to bring down fiscal deficit;

(c) whether the Government has banned new recruitments in orders to reduce fiscal deficit;

(d) if so, the details thereof, along with the reasons therefor; and

(e) the time by which new recruitment is likely to be started?

Answer

MINISTER OF STATE FOR FINANCE (SHRI JAYANT SINHA)

(a)

Financial Year	Fiscal Deficit (% of GDP)
2011-12	5.8 %
2012-13	4.8 %
2013-14#	4.5 %
2014-15	3.7 %

provisional. # Up to October 2014.

(b) Government has adopted a revised roadmap of fiscal consolidation following amendment to the Fiscal Responsibility and Budget Management Act in 2012. Reduction in fiscal deficit has been designed with a judicious mix of reduction in total expenditure as percentage of GDP and improvement in gross tax revenue as percentage of GDP.Government has taken measures for fiscal prudence and economy to rationalise expenditure and optimize available resources. This include 10% mandatory cut in the current financial year on non-plan expenditure excluding interest payments, repayment of debt, Defence capital, salaries, pension and Finance Commission grants to States. Austerity measures, such as restrictions on holding of meetings and conferences at five star hotels, ban on creation of Plan and Non Plan posts, restriction on purchase of new vehicles, restrictions on foreign travel, observance of discipline in fiscal transfers to States, Public Sector Undertakings and Autonomous Bodies at Central/State/Local level have also been imposed. Government also endeavour's to contain the expenditure on Central subsidies.

Government has constituted Expenditure Management Commission (EMC) which is mandated to review the major areas of Central Government expenditure and suggest ways for creating fiscal space to meet developmental expenditure needs, without compromising the commitment to fiscal discipline.

(c), (d) & (e) No Sir.

However, instructions have been issued under the general economy/austerity guidelines, wherein, a ban on creation of plan and non-plan posts has been imposed. These instructions further stipulate that posts that have remained vacant for more than a year are not to be revived except under very rare and unavoidable circumstances and after seeking clearance of Department of Expenditure.